
SESSION 1: BOARD OF DIRECTORS' PRACTICES

BRIDGING THE GENDER GAP IN MOROCCO'S CORPORATE BOARDROOMS

Khadija Al Arkoubi^{*}, Fadoua Tahari^{**}

^{*} University of New Haven, West Haven, CT, USA

^{**} Business Science Institute, Luxembourg



How to cite: Al Arkoubi, K., & Tahari, F. (2023). Bridging the gender gap in Morocco's corporate boardrooms. In M. Tutino, V. Santolamazza, & A. Kostyuk (Eds.), *New outlooks for the scholarly research in corporate governance* (pp. 9–12). Virtus Interpress. <https://doi.org/10.22495/nosrcgp1>

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Received: 15.05.2023
Accepted: 22.05.2023
Keywords: Morocco, Corporate Boards, Gender Diversity, Gender Parity, Board of Directors, Corporate Governance
JEL Classification: M14, M16, M19
DOI: 10.22495/nosrcgp1

Abstract

Women's representation in corporate boards is still a critical issue in most countries around the world, including Morocco. Despite the efforts exerted in recent years to achieve gender parity and equal opportunities in corporate leadership, there are persistent gaps and slow progress in reaching gender balance globally (Catalyst, 2021). The global timeline to achieve gender parity in corporate leadership is still alarming. According to the World Economic Forum (WEF, 2022), at the current rate of progress, it is estimated that it will take 132 years to achieve full parity. This projection underscores the need for sustained efforts to accelerate change and create more inclusive boardrooms worldwide. In addition, in 2022, women held only 36.9% of leadership roles globally, indicating that there is still a long way to go in achieving equal representation.

Morocco faces significant challenges in achieving gender parity, as it ranks 136 out of 146 countries. The parity gap in the country remains wide, particularly when it comes to women's representation in top managerial positions. Currently, only 5.40% of women hold these roles, indicating a substantial underrepresentation of women in leadership positions within firms. Furthermore, the percentage of women who own

businesses stands at just 2.5%, highlighting the need for greater support and opportunities for women entrepreneurs (WEF, 2022). Ultimately, the advancement of women to leadership roles is critically low as it represents 4.27% revealing that there is much work to be done to bridge the gender imbalance in leadership positions across various sectors and industries in the country.

The underrepresentation of women on corporate boards worldwide has prompted researchers to examine the benefits associated with gender diversity and its potential impact on board effectiveness. The results consistently demonstrate that companies with more women in leadership positions tend to experience enhanced financial performance (Adams & Ferreira, 2009; Erhardt et al., 2003; Rahman & Zahid, 2021), better decision-making processes, and improved corporate governance (Milliken & Martins, 1996; Adams & Funk, 2012; Perryman et al., 2016; WEF, 2022). Additionally, gender-diverse boards bring a variety of perspectives, skills, and experiences, leading to more robust discussions and increased innovation (Nielsen & Huse, 2010). They also serve as catalysts for change, inspiring organizations to adopt inclusive policies and practices throughout the entire workforce. They contribute to breaking down gender stereotypes, promoting equal opportunities, and creating more inclusive work environments. Most importantly, women on boards also act as role models, encouraging aspiring female professionals to aim for leadership positions and pursue ambitious career (Adams & Ferreira, 2009; Carter et al., 2003; Smith et al., 2006).

Considering, these critical advantages of gender diversity in the boardrooms, companies around the world including in Morocco have been looking for ways to unlock the full potential of their workforce and contribute to more diverse, equitable, and successful boardrooms. Examples of initiatives that have been adopted include implementing quota systems, enhancing transparency and accountability in board appointments, providing training and mentorship programs, and fostering a supportive corporate culture (Kulaksız & Rafi, 2022).

In Morocco, efforts have been made to increase women's representation in corporate boardrooms. The country has implemented legal measures to promote gender diversity in corporations. In 2011, while women were holding only 12% of seats on the boards of publicly traded companies, the Moroccan Parliament passed Law No.°19-20 which mandated a quota of women on publicly traded companies boards of 30% in 2024 that should reach 40% in 2027. Indeed, the participation of women in corporate governance is now part of legal obligations. Bank Al-Maghrib (the Central Bank of Morocco) was the first to institutionalize gender parity in corporate boards by encouraging credit institutions to ensure parity in the appointment of independent female directors to their boardrooms. While this legislative intervention has led to some progress, the representation of women on boards in Morocco still lags behind the desired levels.

The purpose of this study is dual: 1) to explore the barriers that hinder the inclusion of women in corporate boards and limit their opportunities to access executive positions in Morocco and 2) to specify effective strategies for improvement considering the institutional context of Morocco.

Using secondary data, we will first provide a background of women in corporate governance in Morocco. Second, we will describe the major efforts conducted by the government and other key stakeholders to ensure some progress in this area. Third, we will discuss the impediments inhibiting women from being in corporate boardrooms. Finally, based on other successful experiences in the world, we will offer some recommendations that could enable faster progress toward gender-diverse and inclusive corporate boardrooms.

This study will be highly significant to scholars, practitioners, and decision-makers in the MENA (Middle East and North Africa) region, specifically, as well as other countries that are grappling with the task of improving gender diversity within their corporate boards.

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